# THE PROBLEMS OF IDENTITY THEFT

## Business Data Breaches

Cybertheft has become big business for criminals. Incidents of online identity theft continue to rise. According to USA today, in 2016 an estimated 15.4 million consumers were victims of some form of identity theft. Individuals may have their credit cards or personal information compromised while making purchases or conducting business online. This can also happen via fraudulent card readers attached to ATMs or other credit card systems.

The most profitable cyberthieves, however, target corporations (companies) to steal massive amounts of consumer information. This type of cybercrime is investigated by the FBI. The following table from Nasdaq.com shows just a few of the many companies whose customer records have been compromised by hacking in the last few years:

| | |
|---|---|
| *eBay* | *145 million records accessed* |
| *Home Depot* | *109 million records accessed* |
| *Domino's Pizza* | *650,000 records accessed* |
| *Target* | *40 million credit card numbers and 70 million addresses accessed* |

*(Source: Nasdaq.com 2015)*

## Individual Identity Theft

Identify theft is defined as the successful or attempted misuse of credit cards or other consumer financial information with the intent to commit fraud. Who is most at risk? Children, college students, and the elderly are often the most targeted. A particularly vulnerable group for cybertheft is the elderly. A Department of Justice report in 2014 stated that 2.6 million senior citizens were victims of identity theft (U.S. Department of Justice, 2014).

It is important for an individual to monitor all credit cards, bank accounts, and online accounts for unauthorized withdrawals or purchases. Most local law enforcement lack the personnel, resources, or expertise to investigate smaller-scale or individual identity crimes (Anderson, 2013). The FBI is only notified when a massive amount of secured data is breached.

Fortunately, banks are sometimes alerted of unusual activity on a customer's credit or debit card account. According to USA Today, a credit card thief averages between $150 to $250 in fraudulent purchases using stolen information; however, if it is established that a customer's credit or debit card has been used fraudulently, the bank will most often forgive the fraudulent amount—in other words, the customer won't be required to repay it. Losses incurred by the bank are eventually recovered in banking fees passed on to all customers.

## Identity Protection

Thieves use a variety of methods to access personal information. Security experts suggest that consumers create strong passwords for sites they visit and change each password frequently. Shred applications for credit cards, sensitive documents, and any personal information that you would normally throw away. Thieves often find credit card applications in the trash and may open a credit card account in your name for their personal use.

Be aware of the information you share on social media sites and with whom you are sharing it. Be aware of sites that use cookies to track information about you. Be cautious about emails from an institution (like a bank) that asks for personal information. These may be fraudulent *phishing* emails. If in doubt, call your bank or the institution that appears to be asking for the information.

Keep devices safe through updated antivirus and anti-malware software. Lock your phone with a password. If using a debit or credit card online, check your credit score frequently to make sure that your credit has not been compromised. Check frequently for purchases made on existing cards. Credit score companies often list new credit cards that have been opened. If you believe your credit has been compromised, notify the credit card company immediately as well as credit score companies like Equifax, Experian, and TransUnion.

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